ANNEX VII
REGULATION OF MEMBER OF BOARD OF GOVERNORS
NUMBER 23/4/PADG/2021
DATED 31 MARCH 2021
ON AMENDMENT TO REGULATION OF MEMBER OF BOARD OF GOVERNORS NUMBER 20/18/PADG/2018 ON HEDGE SWAP TRANSACTIONS TO BANK INDONESIA

EXAMPLE OF NET SETTLEMENT CALCULATION FOR THE SMALLER NOMINAL AMOUNT AT EACH EXTENSION OF HEDGE SWAP TRANSACTION TO BANK INDONESIA DURING HEDGING CONTRACT EXTENSION

A. Hedging Contract
   1. Nominal Value of Hedging Contract: USD20 million.
   2. Period of Hedging Contract: 1 year.

B. Hedge Swap Transaction to Bank Indonesia
   1. Period: 12 months.
   2. Nominal: USD20 million.
   3. Transaction date: 12 February 20XX.
   4. Value date (first *leg settlement of swap* 1): 14 February 20XX.
   5. Jakarta *Interbank Spot Dollar Rate* (JISDOR) on 11 February 20XX: IDR14,000.00.
   6. Swap premium for 12 months: IDR600.00.
   7. Due value date (second *leg settlement of swap* 1): 14 February 20XY.
   8. Rate in the second *leg settlement of swap* 1: IDR14,600.00.

C. Extension of Hedging Contract and Extension of Hedge Swap Transaction to Bank Indonesia

1. Period of Hedging Contract extension: 12 months.
2. Period of extension of Hedge Swap Transaction to Bank Indonesia: 12 months.
3. Nominal: USD15 million.
4. Extension transaction date: 12 February 20XY.
5. Extension value date (first *leg settlement of swap* 2): 14 February 20XY.
6. Jakarta *Interbank Spot Dollar Rate* (JISDOR) on 11 February 20XY: IDR14,500.00.
7. Swap premium for 12 months: IDR650.00.

D. Settlement of Hedge Swap Transaction to Bank Indonesia

Settlement Calculation

1. When a Hedge Swap Transaction to Bank Indonesia falls due, calculation of the second *leg settlement of swap* 1 on 14 February 20XY is as follows:
   a. Bank Indonesia will return to the Bank: USD20 million.
   b. The Bank will return to Bank Indonesia: (IDR14,000.00 + IDR600,00) x USD20 million = IDR292 billion.
2. During the extension of a Hedge Swap Transaction to Bank Indonesia, calculation of the first *leg settlement of swap* 2 on 14 February 20XY is as follows:
   a. Bank Indonesia will receive transfer from the Bank: USD15 million.
   b. The Bank will receive from Bank Indonesia: IDR14,500.00 x USD15 million = IDR217.5 billion.

Transaction Settlement

Net transaction settlement on 14 February 20XY is as follows:

a. USD settlement = USD20 million – USD15 million = USD5 million.

b. IDR settlement = IDR217.5 billion – IDR292 billion = (IDR74.5 billion).

Based on the net transaction settlement calculation result:

a. Bank Indonesia will transfer to the Bank’s account with a correspondent bank an amount of USD5 million.

b. Bank Indonesia will debit the Bank’s rupiah checking account an amount of IDR74.5 billion.

MEMBER OF BOARD OF GOVERNORS,

SIGNED

DESTRY DAMAYANTI